

Voluntary disclosure of indicators applicable to investments in sovereigns and supnationals

Adverse sustainability indicator	Metric	Impact 2023	Explanation	Actions taken, and actions planned, and targets set for the next reference period	
Environmental	15. GHG intensity	GHG intensity of investee countries	<p><b>Lending portfolio:</b> 219 tCO<sub>2</sub>e/EUR million invested</p> <p><b>Treasury portfolio:</b> 181 tCO<sub>2</sub>e/EUR million invested</p>	<p>Please see also our <a href="#">Annual report 2023</a>, p. 39-42, 192. Financed emission disclosures are third-party assured.</p> <p>The scope of the analysis included loans outstanding in NIB's lending portfolio to sovereigns and sovereign bonds investments of NIB's treasury portfolio as of 31 December 2023. The Financial Institutions and Public Sector (Municipalities) of the lending book were not assessed due to a lack of data and an established assessment methodology. Also, supnationals are political unions and their balance sheets represent the aggregated balance sheet of their member states. As such accounting GHG emissions of supnationals would lead to double counting when calculated on top of the sovereigns.</p> <p>The calculation covers over 97% of our Lending exposure to sovereigns due to UNFCCC data availability. The calculation covers all our Treasury exposure to sovereigns.</p> <p>The calculation uses UNFCCC GHG data:</p>	<p>In 2023, the NIB Board of Directors approved the Bank's climate strategy and targets. NIB is committed to intermediate 2030 climate targets for key lending sectors covering 67% of its 2022 financed emissions.</p> <p>In 2023, NIB also committed to setting science-based targets and will thus expand the coverage of its 2030 climate targets to additional sectors, including in our treasury assets, as required by the Science Based Targets initiative (SBTi) before commencing the validation process.</p> <p>Please see also our <a href="#">Annual report 2023</a>, p. 37-39 and <a href="#">Climate strategy</a>.</p>

				<ul style="list-style-type: none"> <li>• Scope 1 emissions are the priority given it covers domestic GHG emissions from sources located within the country territory. Reliable data covering with full GHG emissions and with time lag of only 2 years is available from UNFCCC.</li> <li>• Availability of data for scope 2 and scope 3 emissions are few and filled with limitations such as OECD reports for both scope 2 and scope 3 but only includes CO2 emissions (not GHG emissions), has 4 years time lag, and not available now.</li> </ul> <p>This is our first PAI disclosure, therefore no data on n-1 is published.</p>	
Social	16. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	<p><b>Lending portfolio:</b> 2, below 2.5% of investment value</p> <p><b>Treasury portfolio:</b> 0</p> <p><b>No investments in countries subject to social violations are included in our NEB.</b></p>	<p>The scope of the analysis included loans outstanding in NIB's lending portfolio to sovereigns and sovereign bonds investments of NIB's treasury portfolio as of 31 December 2023.</p> <p>Information on global freedom status was used: <a href="https://freedomhouse.org/">https://freedomhouse.org/</a>.</p> <p>This is our first PAI disclosure, therefore, no data on n-1 is published.</p>	Our non-member country lending in recent years has reduced, and the outstanding exposure is expected to decrease too.